



Transmitted via e-mail

April 1, 2022

Anthony Forestiere, Interim Director of Financial Services  
City of Madera  
205 West 4th Street  
Madera, CA 93637

### **2022-23 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Madera Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 28, 2022. Finance has completed its review of the ROPS 22-23.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.
- Item Nos. 21, 75-78, 83, 152 and 163 - Several items with a combined ROPS 22-23 requested amount of \$913,009 are not allowed. The Agency requested funding from Bond Proceeds that do not exist. During our review, the Agency requested to change the funding source from Bond Proceeds to Redevelopment Property Tax Trust Fund (RPTTF). However, the Agency did not provide any documents to support the requested amounts. Therefore, these line items are not considered enforceable obligations at this time. To the extent the Agency can provide suitable documentation, such as valid executed contracts that qualify these obligations as enforceable as defined under HSC section 34171 (d), they may be considered on a future ROPS. Therefore, the Agency's requested amount of \$913,009 is not eligible for Bond Proceeds or RPTTF. The adjustments are summarized in the table on the following page:

<b>Item No.</b>	<b>Item Name</b>	<b>Bond Proceeds Requested</b>	<b>Total Approved</b>
21	Property Management	\$5,000	\$0
75	Project Operations	\$35,000	\$0
76	Project Operations	\$6,000	\$0
77	Project Operations	\$6,000	\$0
78	Project Operations	\$12,000	\$0
83	SA Project Employee Cost	\$163,039	\$0
152	Carry Forward for Next Period Debt Service	\$135,000	\$0
163	E. Yosemite Lot Development	\$550,970	\$0
<b>Total</b>		<b>\$913,009</b>	<b>\$0</b>

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,049,122, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 22-23. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 22-23 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 22-23 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Zuber Tejani, Supervisor, or Brian Johnson, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Claudia Mendoza, Administrative Assistant, City of Madera  
Catherine Nainoa, Chief Accountant Auditor, Madera County

<b>Approved RPTTF Distribution July 2022 through June 2023</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 2,176,610	\$ 691,606	\$ 2,868,216
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>2,301,610</b>	<b>816,606</b>	<b>3,118,216</b>
<b>RPTTF Authorized</b>	<b>2,176,610</b>	<b>691,606</b>	<b>2,868,216</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 19-20 prior period adjustment (PPA)	(69,094)	0	(69,094)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 2,232,516</b>	<b>\$ 816,606</b>	<b>\$ 3,049,122</b>